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WRITER'S DIRECT DIAL NO.

Home Builder Guaranty Fund - Information for Permit Offices

1. What is the Home Builder Guaranty Fund?

During the 2008 session, the General Assembly enacted legislation that creates a Guaranty Fund in the Consumer Protection Division to protect consumers who purchase new homes in Maryland. The Guaranty Fund is similar to the existing fund operated by the Maryland Home Improvement Commission. Consumers who have problems with their new homes that are not addressed by the builder will be able to file claims against the Guaranty Fund.

2. When does the Guaranty Fund law take effect?

The Guaranty Fund applies only to contracts entered into between consumers and home builders after January 1, 2009.

3. What does the law require of Permit Offices?

Permit Offices are required to collect from home builders a non-refundable Guaranty Fund fee of \$50 per unit being constructed with each application for a permit for construction of a new home, including new homes, custom homes, mobile homes, modular homes, and condominiums. The Permit Office is required to remit the Guaranty Fund fees collected to the Consumer Protection Division on a monthly basis. It would be helpful if the name of the builder and permit number was included. The Division will deposit the fees to the Guaranty Fund. Checks should be made payable to the "Office of the Attorney General" and sent to the Administrator, Home Builder Guaranty Fund, Consumer Protection Division, 200 St. Paul Place, 16th floor, Baltimore, MD 21202.

4. Are other Permit Office requirements affected?

No. Permit Offices are still required to check whether a home builder is registered with the Division's Home Builder Registration Unit before issuing a permit for construction of a new home. The builder must include the registration number on the permit application, which will begin with "MHBR". You may check whether a builder is registered on our website, www.oag.state.md.us/homebuilder, or by calling (410) 576-6573 in the Baltimore area or toll-free at (877) 259-4525 elsewhere in Maryland.

200 Saint Paul Place ♦ Baltimore, Maryland 21202-2021

Main Office (410) 576-6300 ♦ Main Office Toll Free (888) 743-0023 ♦ D.C. Metro (301) 470-7534

Consumer Complaints and Inquiries (410) 528-8662 ♦ Health Advocacy Unit/Billing Complaints (410) 528-1840

Health Advocacy Unit Toll Free (877) 261-8807 ♦ Homebuilders Division Toll Free (877) 259-4525 ♦ Telephone for Deaf (410) 576-6372

Additionally, Permit Offices are still required to notify the Home Builder Registration Unit if a builder fails to correct a violation of applicable State and local building codes within a reasonable time.

5. **What about landowners who are building their own homes?**

Landowners who are performing construction of a home they intend to live in on their own land and who submit a Landowner Affidavit to the Permit Office are not required to pay the \$50 Guaranty Fund fee. Please contact the Home Builder Registration Unit if you have questions as to whether the landowner may be submitting the Affidavit at the urging of an unlicensed builder instead of truly intending to perform his or her own construction.

For more information, please contact the Home Builder Registration Unit at (410) 576-6573 in the Baltimore area or toll-free at (877) 259-4525 elsewhere in Maryland, or by e-mail to homebuilder@oag.state.md.us